

# KENTUCKY

## TEACHERS' RETIREMENT SYSTEM

RETIRED MEMBER  
EDITION



JULY/AUGUST  
2007

### Members Elect Trustees to KTRS Board

The election for the two positions on the KTRS Board of Trustees, due to the expiring terms of Ronald L. Sanders and Ruth Ann Sweazy, was conducted during May 2007. Interim Commissioner of Education, Kevin M. Noland, certified the results of the election to the KTRS Board of Trustees.



**RONALD L. SANDERS** of Hodgenville, the incumbent, was re-elected to a four-year term as lay trustee. Mr. Sanders has

served as lay member on the Board of Trustees since December 2004. He is currently chair of the Nominating Committee, and is a member of the Investment Committee, Personnel Committee, and Administrative Appeals Committee.

Mr. Sanders is President and Chief Executive Officer of Magnolia Bank, Hodgenville, and is on the Board of Directors of

*continued on page 2-SANDERS...*



**RUTH ANN SWEAZY** of Taylorsville, the incumbent, was re-elected to a four-year term representing the interests of active

members. Ms. Sweazy has served on the Board of Trustees since July 2003. She is currently chair of the Insurance Committee, and is a member of the Nominating Committee, the Scholarship Committee, and the Administrative Appeals Committee.

Ms. Sweazy teaches kindergarten in the Spencer County School System, is a teacher representative on the Taylorsville Elementary Site-Based Decision Making Council,

*continued on page 2-SWEAZY...*

### KTRS Board of Trustees Chair & Vice Chair Elected



**DR. ZELLA F. WELLS**, of Paintsville, was re-elected chair of the Board of Trustees for the 2007-

2008 fiscal year at the Board of Trustees meeting held June 18, 2007. Dr. Wells has represented active members on the Board since 2004 and was elected chair in 2006. She also served as the Board's vice-chair during fiscal year 2005-2006.



**BARBARA G. STERRETT**, of Lexington, was re-elected vice-chair for the 2007-2008 fiscal year.

Ms. Sterrett

represented active members on the Board from 1990 until her retirement in 2003. In May 2005, she was elected to represent retired members, and was elected vice-chair in 2006.

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### ***SANDERS continued from page 1 ...***

Magnolia Bancshares, Inc. He also serves on the Board of Directors of the Kentucky Title Center, LLC, Louisville.

Mr. Sanders' current term of office began July 1, 2007 and will end June 30, 2011.

### ***SWEAZY continued from page 1 ...***

and is President of the Spencer County Education Foundation. She is vice-chair of the Kentucky Association for National Board Certified Teachers; a member of the Kentucky Education and Professional Standards Board Advisory Work Group for National Board Certified Teachers; is on the Board of Directors of the Kentucky Reading Association, and has co-authored articles published in education journals.

Ms. Sweazy's current term of office began July 1, 2007 and will end June 30, 2011.

## **Number of Retirements Lowest in Fourteen Years**

The number of retirements declined this year, even as the number of members eligible to retire within the next year continues to climb. Retirements during June/July were the lowest recorded since 1993.

A number of factors contribute to this trend, including: a continued pattern following changes to the Plan in 2002 as directed by the Board of Trustees; mid-career and pre-retirement workshops that provide members with information that enables them to make better informed decisions regarding retirement options; and the uncertainty of funding for the medical insurance program.



## **All Retirees**

### **Watch Your Hospital and Doctor Invoices**

Reviewing medical bills may render a few surprises: charges for services you never received or charges for routine items such as gowns and gloves that should not have been



billed separately. Clerical errors are often the reason for mistakes. One transposed number in a billing code can result in a charge for placing a catheter in an

artery versus a vein, a difference of thousands of dollars.

How do you determine if your bill has incorrect codes or duplicate charges? Start by asking for an itemized bill with "miscellaneous" items clearly defined. Some telltale mistakes: charging for more days than you stayed or charging for drugs you never received.

Ask the hospital's billing office for a key to decipher the codes and charges. If you want to be your own detective, talk to the highest ranking administrator you can find in the hospital finance or accounting office to begin untangling any mistaken codes.

## Blue Ribbon Commission on Public Employees Retirement Systems

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The Governor's 24-member Blue Ribbon Commission, created to study KTRS and Kentucky Retirement Systems (KRS), held its second meeting on May 14, 2007. Gary Harbin, Executive Secretary of KTRS, and Bill Hanes, Executive Director of KRS, made presentations on the two respective retirement systems.

At a third meeting held June 19, the law firm of Morrison & Foerster, LLP was announced as the legal counsel selected to assist the Commission. Gabriel, Roeder, Smith was recently announced as the actuarial firm chosen to assist the Commission.

The next meeting of the Blue Ribbon Commission is currently scheduled for August 28, 2007. The three working groups: Financing Strategy, Pensions, and Health Insurance will also continue to hold meetings throughout this time. As a reminder, all meetings are open to the public and are held in the Capitol Annex in Frankfort. You may visit the Commission Website at <http://finance.ky.gov/ourcabinet/attached+agencies/retcom.htm>, or contact KTRS for further information.

## Investment Returns for Your Retirement System

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The Kentucky Teachers' Retirement System operates on an actuarially sound basis with more than \$15 billion in assets invested in a safe, prudent and conservative manner, with goals that are long-term in nature.

KTRS assets are diversified among different asset classes and various investment styles. More than 96% of the System's fixed income investments are rated at least "A" in terms of credit quality. The high quality of investments indicates that the System is not assuming unusual investment risks.

The return on stocks for the year ended June 30, 2007 is 20.5%. The long-term return on stocks over the past twenty years is 11.2%.

The return on all KTRS investments for the year ended June 30, 2007 is 15.3%. The long-term return on all KTRS investments over the past twenty years is 9.1%.

The KTRS actuary assumes a long-term rate of return of 7.5% on all KTRS investments.

The primary concern of the KTRS Board of Trustees is the preservation of KTRS assets with stable returns in order to provide retirement benefits earned by KTRS members. Investment returns such as those noted above ensure that this goal is attained.

## *Be Sure to Keep Your Address Current*

KTRS retirees and other annuitants are reminded that when

they  
change  
their  
address,



they should notify KTRS **in writing** in order to continue to receive their KTRS mail on a timely basis. All retirees receive a 1099R in January, a check stub in July indicating COLA increases, and newsletters and special mailings which may include retiree medical insurance information or notices.

## *Questions?*



**KTRS Information Center**

**1-800-618-1687**

## Retirees Under Age 65

### Kentucky Employees Health Plan

\* KEHP \*

#### OPEN ENROLLMENT for Retirees Under age 65

**October 15 – 26, 2007**

2008 will again be a passive enrollment, which means you DO NOT need to complete an application unless you are making changes. At this time, there are no plan design changes. However, the 2008 rates have not been released. All eligible retirees should receive Open Enrollment material prior to October 15, 2007.

### Shingles Vaccine, Kentucky Employees Health Plan

The shingles vaccine is eligible for coverage under the medical portion of the Kentucky Employees Health Plan. Enrollees who request the vaccination must be at least 60 years of age when the vaccine is administered. Claims for the vaccine will apply toward your Plan's immunization benefit. However, claims for the vaccine by enrollees who are younger than 60 will be denied. Applicable co-payments apply only when an office visit is subject to a co-payment and is billed along with the immunization.

## Retirees Age 65 & Over

### Tools to Manage Your Prescription Costs

Those retirees on the KTRS Medicare Eligible **Prescription** Drug plan currently administered by Medco have a powerful tool to help lower prescription cost and save time. As a registered member on medco.com you can:



- View a list of the medications you take
- Compare generic and brand-name costs
- Calculate potential savings

- Refill prescriptions and request renewals if no refills remain at home delivery
- Review drug information and check possible side effects
- Receive timely prescription refill reminders
- View a financial summary of your prescription expenses which could be valuable at tax time
- Review your prescription history to share with your doctor

This secure, instant access to your personal prescription records is available to you as part of your prescription benefit once you register at [www.medco.com](http://www.medco.com).

## Retirees Age 65 & Over

### Quick Tips for Using Medco's Automated Phone System Also known as the IVR

The following are a few tips that may help make your calling experience more pleasurable.

**First, before calling Medco ...**

- ◆ Call from a quiet location to eliminate any background noise (automated phone systems are sensitive to radios, TV's, as well as side conversations)
- ◆ Calling from your home phone may reduce the amount of information required, usually resulting in a better calling experience
- ◆ Cell phones can be used, but they are not preferred - gaps in cell service will result in a poor quality call
- ◆ The caller will be greeted by the Medco Automated Assistant
- ◆ Simply state what you'd like to do..... "I need a refill" or "I need help with my bill" or "I need the status of my order"
- ◆ Protecting our member's privacy is very important. Whether you are speaking to a customer service representative or an automated system, certain information is required to ensure that we've properly identified the caller. When calling Medco please have the following...
- ◆ Member Identification Number
- ◆ Prescription Number, sometimes known as the Rx number (12 digits)
  - Having the prescription number of the medication you'd like to order is required when requesting a refill or a renewal Rx
  - The prescription number is very helpful when calling to check order status or to price a mail order prescription.
  - The prescription number can be found on the prescription bottle or refill label
- ◆ Zip Code - usually last address Medco shipped an order.
- ◆ DOB - either the member's or patient's DOB may be requested.
- ◆ Invoice Number - may be needed to discuss billing inquiries.

**Try to answer the automated phone system's questions directly and naturally. Simply say ...**

- ◆ "Yes" & "No", or "Help" or "I don't have it"

### Medicare Eligible Health Plan

**\* MEHP \***

### OPEN ENROLLMENT

**NOV 15 – DEC 31, 2007**

This is to inform retirees and spouses, who are age 65 or older and not already enrolled in the KTRS Medicare Eligible Health Plan (MEHP) administered by Humana and Medco, that **November 15, 2007 begins OPEN ENROLLMENT.** If you are not currently enrolled in the MEHP and wish to have coverage effective January 1, 2008, you must contact KTRS for an enrollment form and return the completed form to this office by December 31, 2007. During Open Enrollment you can enroll without providing proof of a qualifying event. To enroll outside of Open Enrollment you must show evidence of a qualifying event. The 2008 premium rates are not available at this time. You will be notified of the rates in the next KTRS newsletter.

**Note: If you are currently enrolled in the KTRS MEHP, no action is needed.**

- ◆ When asked for a specific number - speak only the number, resist speaking extra words around that number
- ◆ Caller can always use the key pad to enter digits at any prompt
  - 1 = yes
  - 2 = no
  - Rx #'s, member ID #, zip codes, date of birth can be spoken or entered using the telephone key pad.

#### Hint:

- ◆ Trying to trick the IVR usually results in a bad calling experience.
- ◆ Answering the questions honestly will result in a transfer to a CSR if the IVR cannot complete the call.



## Retirees Age 65 & Over

### WHCRA ANNUAL NOTICE

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Do you know that your plan, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy, including lymphedema? Call your Plan Administrator at 1-866-396-8810 for more information.

### KTRS Prescription Drug Coverage Reminder

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The KTRS self-funded Medicare Eligible **Prescription** Drug Plan, the primary payer of drug claims for all eligible retirees over the age of 65, is as good as the standard Medicare Part D prescription plan and is considered creditable coverage. Therefore, if you are enrolled in the KTRS Medicare Eligible Prescription Drug Plan, currently administered by Medco, please contact KTRS before enrolling in a Medicare Part D prescription plan. Unless you are on Medicaid in addition to Medicare or you are eligible for extra help with prescriptions through the Low Income Subsidy program at Social Security, it might not be in your best financial interest to terminate your KTRS coverage and enroll in a Medicare Part D plan.

### MEHP Members Can Obtain the Shingles Vaccine

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If you are enrolled in the KTRS MEHP and your doctor prescribes Zostavax, the Shingles Vaccine, this is a covered expense. Due to the sensitivity of the vaccine, it is not available through Medco's Home Delivery. If the physician doesn't stock the vaccine, generally the patient will obtain the vaccine at the local retail pharmacy and return to the physician's office for administration. The local retail pharmacy will file the claim with Medco and the physician will file the claim with Humana for the administration only. However, if a patient obtains the vaccine at the physician's office, the patient might be required to pay up front for the medication and submit a claim to Medco for reimbursement. In this case, the physician can still submit the administration claim to Humana. This information is for the 2007 plan year. Please contact Medco at 1-800-551-8060 or Humana at 1-866-396-8810 for more information.

